

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2626-10
BILL NO.: Perfected HS For HCS For HB 1076
SUBJECT: Education, Elementary and Secondary: Reading
TYPE: Original
DATE: March 8, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(GREATER THAN \$100,000)	(GREATER THAN \$100,000)	(GREATER THAN \$100,000)
Total Estimated Net Effect on <u>All</u> State Funds	(GREATER THAN \$100,000)	(GREATER THAN \$100,000)	(GREATER THAN \$100,000)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
School Districts	(\$500,000)	(\$500,000)	(\$500,000)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the state fiscal impact would stem from the section of legislation that moves the science assessment portion of the MAP or its successor test, from the third grade to the fourth grade. This change would require the department to revamp benchmarks, redesign test items, verify their reliability and validity through field tests, and write new annotated frameworks for the new fourth grade level. Additional meetings with teachers from around the state and CTB McGraw-Hill would be necessary to complete this process. It is estimated that this change would cost approximately \$1.6 million.

DESE officials assume there could be some additional state aid going to districts due to a potential increase in summer school enrollments. On a statewide basis, the amount would be estimated to be \$107,900. This would affect the State Schools Moneys Fund.

- (a) 400 students (new to summer school) X 40 hours = 16,000 hours attendance;
- (b) $16,000/1,044 = 15$ ADA (rounded);
- (c) $15 \text{ ADA} \times 2 = 30$ eligible pupils;
- (d) $30 \text{ eligible pupils} \times \$2.75 \times \$130,789/100 = \$107,900$

Based on previous development costs, the proposal would require the development of additional elementary-level assessments, to replace assessments currently in place. DESE officials could not provide a specific estimate; however, the cost is believed to be in excess of \$2.5 million. This cost is assumed to occur in FY 2001, and primarily be one-time in nature.

The **Oversight Division** has shown a fiscal impact to DESE as cost greater than \$100,000 to include the test development costs and additional state aid for summer school.

DESE officials assume section 9 of HB 889 passed during the 1999 regular session (now under 167.645 RSMo. Supp.) directs that no student shall be promoted to the next grade level if they are reading at or above one grade level below the student's grade level. Current law applies to all grade levels.

The bill would delete this language and replace it with language creating reading level assessments for public school students beginning in the 3rd grade. Remediation would be required if the pupil would be determined to be deficient in reading skills. Development of a plan, remediation, and assessments would continue until the 6th grade or until acceptable reading standards would be achieved. Additionally, each school district would be required to offer summer school reading instruction to any student with a reading improvement plan.

ASSUMPTION (continued)

Assuming that districts would bear this cost, DESE officials assume the fiscal impact to local districts of this provision would be expected to be in the area of \$500,000.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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GENERAL REVENUE FUND

Cost-Department of Elementary and
 Secondary Education (DESE)

Test Development and State Aid for Summer School	(GREATER THAN \$100,000)	(GREATER THAN \$100,000)	(GREATER THAN \$100,000)
Total <u>Cost-Department of Elementary and Secondary Education</u>	(GREATER THAN \$100,000)	(GREATER THAN \$100,000)	(GREATER THAN \$100,000)

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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SCHOOL DISTRICTS

Income-School Districts

State Aid For Summer School	GREATER THAN \$100,000	GREATER THAN \$100,000	GREATER THAN \$100,000
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Cost-School Districts

Plan Development, Remediation, Assessments	(\$500,000)	(\$500,000)	(\$500,000)
Summer School	(GREATER THAN \$100,000)	(GREATER THAN \$100,000)	(GREATER THAN \$100,000)

Total <u>Cost-School Districts</u>	(GREATER THAN \$600,000)	(GREATER THAN \$600,000)	(GREATER THAN \$600,000)
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**ESTIMATED NET EFFECT ON
 SCHOOL DISTRICTS**

<u>(\$500,000)</u>	<u>\$500,000)</u>	<u>\$500,000)</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

Any science assessment test would be officially given in the fourth grade, in lieu of official testing in the third grade.

DESE would adjust the schedule for administering the Missouri Assessment Program to ensure that only one assessment is administered in the third grade and no more than two are administered at any other grade level.

Methods of reading assessment would be determined by each school district. Unless a student has been determined to reading at grade level or above, each school district would administer a reading assessment to each student within 45 days of the end of the third-grade year. This assessment would also be required for students entering grades 4, 5 or 6 unless the student would be determined to be reading at grade level or above.

Beginning with the school year 2001-2002, for each student whose third-grade reading assessment determines that such student is reading below the second-grade level, the school district would design a reading improvement plan for the student's fourth-grade year. Students receiving a reading improvement plan would be given another reading assessment, to be administered within 45 days of the end of the student's fourth-grade year. If the student reads below the third-grade level, the student would be required to attend summer school. At the end of summer school, another reading assessment would be given. If the student reads below the third-grade level, the district would provide a reading improvement plan for the fifth-grade year. This process would be repeated as necessary through the end of the sixth grade.

Each school district would be required to offer summer school reading instruction to any student with a reading improvement plan. Districts may fulfill the requirement with neighboring districts.

The proposal contains an emergency clause.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Elementary and Secondary Education

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "e" at the end.

Jeanne Jarrett, CPA
Director
March 8, 2000